

**Water Board Revenue Bonds  
Legislative Council Staff Responses to Public Comments**

The revisions requested by interested persons are provided below in the following format:

ALL CAPS = Proposed new language

~~Strike Type~~ = Proposed deletions

Standard Type = Current language

All page and line references are to the Final Draft version

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1

**BULLET SECTION**

2

**1. Responder:** Douglas Bruce — opponent

3

**Suggested change:** Page 1, line 4:

4

• ~~requires~~ PROJECTS the bonds to be repaid from the water projects' revenue and limits the total repayment cost, including interest, to \$4 billion

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6

**Responder:** Melinda Kassen — opponent

7

**Suggested change:** Page 1, line 4:

8

• ~~requires~~ EXPECTS the bonds to be repaid from the water projects' revenue and limits the total repayment cost, including interest, to \$4 billion

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**Basis for suggested change:** The proposal does not prohibit the use of other sources to repay the debt.

12

13

**Staff comment:** Disagree. SB 03-236 states that the revenue bonds must be repaid from revenue generated by the projects (see Page 2, lines 6 through 11 of the law). Bondholders may not look to any other revenues of the state for the payment of the bonds (see Page 2, lines 12 and 13 of the law).

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18

**BACKGROUND SECTION**

19

**2. Responder:** Jo Evans — opponent

20

Melinda Kassen — opponent

21

**Suggested change:** No proposed language provided, but the responders' concern focused on the organization of the background section (Page 1, line 10 through Page 2, line 33).

22

23





1           **Basis for suggested change:** Voters are also approving this expenditure with their  
2 vote for Referendum A.

3           **Staff comment:** Disagree. This sentence does not fit with the paragraph. Also, the  
4 legislative declaration of SB 03-236 states that the revenue bonds must be repaid from  
5 revenue generated by the projects (see Page 2, lines 6 through 11 of the law).

6           \*\*\*\*\*

7           **5. Responder:** Melinda Kassen — opponent

8           **Suggested change:** Page 1, lines 16 through 24:

9           ~~**Borrowing limits.** The proposal allows the Colorado Water Conservation Board  
10 to borrow up to \$2 billion by issuing revenue bonds. The \$2 billion may be borrowed for  
11 one or more water projects over a period of years. The total principal and interest  
12 payments cannot exceed \$4 billion. The borrowed money must be repaid from revenue  
13 received from the projects. Of the \$2 billion total, at least \$100 million must be set aside  
14 to improve existing water facilities or to pay for water conservation measures.~~

15           **What types of projects qualify for funding?** Projects eligible for funding may  
16 acquire water rights, build new storage, improve existing facilities, or increase water  
17 conservation. OF THE \$2 BILLION TOTAL, AT LEAST \$100 MILLION IS FOR PROJECTS THAT  
18 WILL IMPROVE EXISTING WATER FACILITIES OR TO PAY FOR WATER CONSERVATION  
19 MEASURES.

20           **Basis for suggested change:** The information is redundant (for example, the  
21 bullets already explain much of this information), misleading, or needs to be moved to the  
22 next paragraph.

23           **Staff comment:** Disagree. The bullets summarize the ballot proposal; the  
24 background describes the ballot proposal in more detail.

25           \*\*\*\*\*

26           **6. Responder:** Chris Treese — Colorado River Water Conservation District

27           **Suggested change:** Page 1, line 16:

28           The proposal allows the STATE, THROUGH THE Colorado Water Conservation Board,  
29 to borrow up to \$2 billion by issuing revenue bonds.

30           **Staff comment:** Disagree. This information is already stated in the preceding  
31 paragraph (Page 1, line 11).

32           \*\*\*\*\*





1 conservation. The likelihood that a water conservation project would qualify is discussed  
2 in Argument Against #2.

3 \*\*\*\*\*

4 **13. Responder:** Jo Evans — opponent

5 **Suggested change:** Page 1, lines 24 through 26:

6 ~~Projects may also provide environmental and recreational benefits, protect~~  
7 ~~agricultural water, or assist communities negatively impacted by water projects.~~

8 OR:

9 Add balance to the sentence

10 OR:

11 Use the language that is in the bill

12 **Responder:** Melinda Kassen — opponent

13 **Suggested change:** Page 1, lines 24 through 26:

14 Projects eligible for funding may acquire water rights; AND build new storage;  
15 ~~improve existing facilities, or increase water conservation. Projects may also provide~~  
16 ~~environmental and recreational benefits, protect agricultural water, or assist communities~~  
17 ~~negatively impacted by water projects.~~

18 **Basis for suggested change:** The paragraph should list the possible negative  
19 impacts of projects, not just potential benefits. Plus, the legislative declaration is not  
20 binding. Some project types are only listed in the legislative declaration, not in the  
21 operating part of the law.

22 **Staff comment:** Disagree. The sentence simply lists projects that are eligible for  
23 financing and not those that will necessarily generate sufficient revenue to support  
24 marketable bonds. This list includes project types listed in the definition of water projects  
25 (Page 2, line 28 through Page 3, line 5 of the law) and the project types listed in the  
26 legislative declaration (Page 1, lines 22 through 31 of the law). The definition of water  
27 projects refers back to those project types listed in the legislative declaration. Also, a  
28 description of the possible negative impacts of projects is included in Argument Against #3.

29 \*\*\*\*\*

1 **14. Responder:** Melinda Kassen — opponent

2 **Suggested change:** Page 1, line 27:

3 Ineligible projects include public waste water and drinking water projects, PROJECTS  
4 WHOSE FEASIBILITY STUDIES SHOW THEM TO BE INFEASIBLE and projects costing less than  
5 \$5 million.

6 **Basis for suggested change:** The board must recommend only those projects that  
7 it has conducted feasibility studies for and found to be feasible.

8 **Staff comment:** Disagree. The current language in the analysis reflects the list of  
9 ineligible projects described in the law (Page 2, line 28 through Page 3, line 5 of the law).  
10 The law is silent on whether projects must be feasible.

11 \*\*\*\*\*

12 **15. Responder:** Staff

13 **Suggested change:** Page 1, line 28:

14 ~~Under state law, p~~Public entities such as cities, water districts, or state agencies;  
15 private entities; or combinations of the two may propose water projects to the Colorado  
16 Water Conservation Board.

17 **Basis for suggested change:** This phrase is unnecessary, and may confuse the  
18 reader.

19 \*\*\*\*\*

20 **16. Responder:** Douglas Bruce — opponent

21 **Suggested change:** Page 1, lines 28 through 29:

22 Under state law, public OR PRIVATE entities ~~such as cities, water districts, or state~~  
23 ~~agencies, private entities;~~ or combinations of the two may propose water projects to the  
24 Colorado Water Conservation Board.

25 **Basis for suggested change:** The list of governments is superfluous and meant to  
26 elicit sympathetic identification.

27 **Staff comment:** Disagree. The list is intended to show what types of public  
28 entities are eligible. For example, the reader might not understand that state agencies are  
29 eligible to propose projects.

30 \*\*\*\*\*

1 **17. Responder:** Chris Treese — Colorado River Water Conservation District

2 **Suggested change:** Page 1, line 32:

3 If the board makes recommendations, it must recommend at least two projects from  
4 different river basins with a start date of 2005, AT LEAST one of which must be approved  
5 by the Governor.

6 **Staff comment:** Agree. Conforms with the language in SB 03-236.

7 \*\*\*\*\*

8 **18. Responder:** Douglas Bruce — opponent

9  
10 **Suggested change:** Page 2, line 1:

11 If the board makes recommendations, it must recommend at least two projects from  
12 different river basins with a start date of 2005, one of which must be approved by the  
13 Governor. NO COMPLETION DATES OR DEADLINES ARE SPECIFIED IN THE MEASURE.

14 **Basis for suggested change:** Stressing 2005 as a quick start is biased, and is  
15 deceptive without a completion date.

16  
17 **Responder:** Melinda Kassen — opponent

18 **Suggested change:** Page 2, line 1:

19 If the board makes recommendations, it must recommend at least two projects from  
20 different river basins with a start date of 2005, one of which must be approved by the  
21 Governor. THE MEASURE SPECIFIES NEITHER A COMPLETION DATE FOR THE PROJECT(S) NOR  
22 A DATE BY WHICH THE STATE MUST PAY BACK THE BONDS.

23 **Basis for suggested change:** The new language balances the sentence that  
24 emphasizes the early start date. With no completion date, there is no guarantee that  
25 Referendum A will lead to any new water projects. This is also an appropriate time to note  
26 that there is no set time for when the state will be out of debt.

27 **Staff comment on both suggested changes:** Disagree. The existing language  
28 does not state that the project(s) that begin in 2005 will be completed quickly. It simply  
29 states the law's requirement regarding projects with a start date of 2005. The fact that there  
30 is no limit on the length of time to repay the bonds is included in Argument Against #1.

31 \*\*\*\*\*

1 **19. Responder:** Chris Treese — Colorado River Water Conservation District

2 **Suggested change:** Page 2, line 6:

3 The board ~~also regulates water levels~~ CAN HOLD INSTREAM FLOW WATER RIGHTS in  
4 streams and lakes to preserve the natural environment.

5 **Responder:** Jo Evans — opponent

6 **Suggested change:** Page 2, line 6:

7 The board ~~also regulates water levels in streams and lakes~~ MAY ACQUIRE INSTREAM  
8 FLOW RIGHTS UNDER THE INSTREAM FLOW PROGRAM to preserve the natural environment.

9 **Basis for suggested change (from Ms. Evans):** This current sentence is not  
10 accurate. The board may acquire instream flow rights under the instream flow program,  
11 but it is misleading to suggest that the board regulates water levels in all Colorado streams  
12 and lakes.

13 **Staff comment on both suggested changes:** Agree in part. Staff is attempting to  
14 avoid using the phrases "water rights" and "instream flow," as they are not easily  
15 understandable.

16 **Revised staff language:** Page 2, line 6:

17 The board also ~~regulates~~ HELPS ENSURE THAT WATER IS AVAILABLE IN CERTAIN  
18 ~~water levels in streams and lakes~~ to preserve the natural environment.

19 \*\*\*\*\*

20 **20. Responder:** Melinda Kassen — opponent  
21 Jo Evans — opponent

22 **Suggested change:** Page 2, line 13:

23 ~~*Why Colorado builds water projects.*~~

24 **Basis for suggested change:** The state has never built water projects.

25 **Staff comment:** Agree in part. The current language implies that the state plays  
26 a significant role in building water projects.

27 **Revised staff language:** Page 2, line 13:

1 ***Why Colorado builds water projects. ARE WATER PROJECTS BUILT IN COLORADO?***

2 \*\*\*\*\*

3 **21. Responder:** Douglas Bruce — opponent

4 **Suggested change:** Page 2, line 14:

5 Colorado is a semi-arid state that experiences ~~droughts~~. OCCASIONAL WATER  
6 SHORTAGES.

7 **Basis for suggested change:** "Drought" is a buzz word and catch phrase.

8 **Staff comment:** Disagree. Drought is a widely-used term for an extended period  
9 of dry weather with water shortages.

10 \*\*\*\*\*

11 **22. Responder:** Kent Holsinger — Department of Natural Resources

12 **Suggested change:** Page 2, line 14:

13 Colorado is a semi-arid state that experiences droughts OFTEN. ALMOST EVERY  
14 YEAR, SOME PART OF COLORADO SUFFERS FROM DROUGHT.

15 **Staff comment:** Disagree. The current language is meant to provide general  
16 information about Colorado's climate and not a more specific description of all types of  
17 drought that may affect the state.

18 \*\*\*\*\*

19 **23. Responder:** Melinda Kassen — opponent

20 **Suggested change:** Page 2, line 15:

21 Most of the state's precipitation falls west of the continental divide as snow in the  
22 mountains; MOST OF THE STATE'S POPULATION IS TO THE EAST.

23 **Basis for suggested change:** This language is necessary to explain why Colorado  
24 may not be using all of the water to which it is entitled from the Colorado River.

25 **Staff comment:** Disagree. The current language in the paragraph is general, and  
26 refers to moving water both within a basin and between basins.

27 \*\*\*\*\*

1 **24. Responder:** Douglas Bruce — opponent

2 **Suggested change:** Page 2, lines 15 and 16:

3 Water projects, such as dams, capture snowmelt and rain for use throughout the  
4 year ~~and during droughts.~~

5 **Basis for suggested change:** Droughts occur during the year.

6 **Responder:** Melinda Kassen — opponent

7 **Suggested change:** Page 2, lines 15 and 16:

8 Water projects, such as dams, capture snowmelt and rain for use ~~throughout the~~  
9 ~~year and during droughts.~~ LATER.

10 **Basis for suggested change:** Stored water is used in dry years that are not drought  
11 years.

12 **Staff comment on both suggested changes:** Disagree. The current language  
13 conveys the fact that water is captured for use by Coloradans during normal, seasonal water  
14 shortages and during droughts.

15 \*\*\*\*\*

16 **25. Responder:** Melinda Kassen — opponent

17 **Suggested change:** Page 2, lines 16 and 17:

18 Water projects, such as dams, capture snowmelt and rain for use throughout the  
19 year and during droughts. COLORADO WATER USERS TOGETHER STORE ENOUGH WATER IN  
20 DAMS TO SUPPLY 15 MILLION URBAN FAMILIES FOR A YEAR. WATER USERS HAVE ALSO  
21 BUILT ~~M~~Many miles of pipelines and ditches ~~have also been built~~ to move water from where  
22 it is found naturally to where it is used, MUCH OF IT FROM ONE RIVER BASIN TO ANOTHER.

23 **Basis for suggested change:** The current language makes it seem that Colorado  
24 has not developed or stored as much water as it is entitled to store. It is necessary to add  
25 information about the storage already developed so readers understand what is currently  
26 available. It is also important for the readers to understand that the water to supply existing  
27 users, as well as water for new projects, will need to be moved around from one river basin  
28 to another.

29 **Staff comment:** Agree in part. The proposed illustration concerning current water  
30 storage capacity may confuse the reader. While some estimate that Colorado may have  
31 enough water storage for 15 million families, most of the water storage is for agricultural  
32 purposes. Also, the current language regarding water transfers is general, and refers to

1 moving water both within a basin and between basins. However, the final sentence could  
2 be more concise.

3 **Revised staff language:** Page 2, line 16:

4 Water projects, such as dams, capture snowmelt and rain for use throughout the  
5 year and during droughts. Many miles of pipelines and ditches ~~have also been built to~~ move  
6 water from where it is found naturally to where it is used.

7 \*\*\*\*\*

8 **26. Responder:** Douglas Bruce — opponent

9 **Suggested change:** Page 2, line 17:

10 Many miles of pipelines and ditches have also been built to move water from where  
11 it is found naturally to where it is used. AGRICULTURAL LANDS CURRENTLY CONTROL 85  
12 PERCENT OF COLORADO'S WATER.

13 OR:

14 Page 2, line 28:

15 These sources include pumping water from underground, purchasing or leasing  
16 water from farms and ranches, WHICH CURRENTLY CONTROL 85 PERCENT OF COLORADO'S  
17 WATER, or drawing water from western rivers, which hold most of the state's available river  
18 water.

19 **Responder:** Melinda Kassen — opponent

20 **Suggested change:** Page 2, line 28:

21 These sources include pumping water from underground, purchasing or leasing  
22 water from farms and ranches, WHICH USE 85 PERCENT OF COLORADO'S EXISTING WATER  
23 SUPPLIES, or drawing water from western rivers, which hold most of the state's available  
24 river water.

25 **Basis for suggested change:** This will allow readers to understand where the water  
26 is likely to come from and the relative size of each of the sources of water that is available.

27 **Staff comment:** Agree. The suggested change appears to fit better on line 28 than  
28 on line 17.

29  
30 **Revised staff language:** Page 2, line 28:

31 These sources include pumping water from underground, purchasing or leasing

1 water from farms and ranches, WHICH USE 85 PERCENT OF COLORADO'S WATER, or drawing  
2 water from western rivers, which hold most of the state's available river water.

3 \*\*\*\*\*

4 **27. Responder:** Douglas Bruce — opponent  
5 Melinda Kassen — opponent

6 **Suggested change:** Page 2, line 19:

7 Currently, water users pay for water projects ~~by borrowing money and imposing~~  
8 THROUGH fees ~~or~~ AND taxes.

9 **Basis for suggested change:** Not all projects use borrowed money, and they are  
10 not paid by debt, since debt must itself be paid back with fees or taxes. The existing  
11 language is also awkward and misleading.

12 **Responder:** Jo Evans — opponent

13 **Suggested change:** None provided, but Ms. Evans' concerns relate to the same  
14 sentence.

15 **Basis for suggested change:** This sentence does not make it clear that local  
16 governments may issue bonds. Although bonding is technically borrowing and repaying,  
17 this referendum is about bonding and the current ability of local water providers to issue  
18 bonds should be mentioned.

19 **Staff comment on all suggested changes:** Disagree. The intent of the sentence  
20 was not to state that all projects use borrowed money, just that it is one option. Other  
21 options are imposing fees or taxes. Also, "borrowing money" is more commonly  
22 understood than "issuing bonds" and is more inclusive (it could include getting a loan).

23 \*\*\*\*\*

24 **28. Responder:** Melinda Kassen — opponent

25 **Suggested change:** Page 2, line 19:

26 In addition, PRIVATE LENDERS AND two state entities provide funding for water  
27 projects.

28 **Basis for suggested change:** This makes it clear that bonds are available not only  
29 from state agencies, but also on the private market.

1           **Staff comment:** Disagree. The focus of this sentence is the availability of funds  
2 from state entities. The previous sentence covers private entities.

3  
4           \*\*\*\*\*

5   **29. Responder:** Douglas Bruce — opponent

6           **Suggested change:** Page 2, lines 26 and 27:

7           ~~Water users, such as cities, water districts, businesses, and farmers, may obtain new~~  
8 ~~water~~ NEW WATER MAY BE OBTAINED from several sources.

9           **Basis for suggested change:** Everyone is a water user.

10          **Staff comment:** Disagree. This sentence identifies water users as the term is being  
11 used in this analysis.

12           \*\*\*\*\*

13   **30. Responder:** Staff

14          **Suggested change:** Page 2, line 18:

15          Currently, water users, SUCH AS CITIES, WATER DISTRICTS, BUSINESSES, AND  
16 FARMERS, pay for water projects by borrowing money and imposing fees or taxes.

17          AND: Page 2, lines 26 and 27:

18          ~~Water users, such as cities, water districts, businesses, and farmers, may obtain new~~  
19 ~~water~~ from several sources.

20          **Basis for suggested change:** This moves up the definition of water users to the  
21 first point where they are mentioned.

22           \*\*\*\*\*

23   **31. Responder:** Kent Holsinger — Department of Natural Resources

24          **Suggested change:** Page 2, line 27:

25          These sources include NEW, ENLARGED OR REHABILITATED WATER STORAGE TO  
26 CAPTURE SPRING SNOWMELT, pumping water from underground, purchasing or leasing  
27 water from farms and ranches, or drawing water from western rivers, which hold most of  
28 the state's available river water.

1           **Staff comment:** Disagree. The current language focuses on sources of water and  
2 not methods for storing that water.

3           \*\*\*\*\*

4   **32.    Responder:** Chris Treese — Colorado River Water Conservation District

5           **Suggested change:** Page 2, line 29:

6           These sources include pumping water from underground, purchasing or leasing  
7 water from farms and ranches, or drawing water from western COLORADO rivers, which  
8 ~~hold~~ HAVE most of the state's ~~available~~ river water.

9           **Staff comment:** Disagree. The proposed changes are either unnecessary (the  
10 remainder of the sentence makes it clear that "rivers" refers to Colorado rivers), have the  
11 same meaning ("have" versus "hold") or change the meaning ("available" is intended to refer  
12 to unappropriated water that may be diverted for new uses).

13           \*\*\*\*\*

14   **33.    Responder:** Douglas Bruce — opponent

15           **Suggested change:** Page 2, lines 30 and 31:

16           In addition, water users can extend existing supplies through ~~reuse, restrictions on~~  
17 ~~water use, or by encouraging conservation through drought-tolerant landscaping;~~  
18 XERISCAPING, water-efficient appliances and equipment, and increased water rates.

19           **Basis for suggested change:** The word "drought" is used too frequently in the  
20 background.

21           **Staff comment:** Disagree. The sentence explains other options to extend water  
22 supplies. Xeriscaping is not the same as reuse or restrictions on water use, and may not be  
23 as familiar to the reader as "drought-tolerant landscaping."

24           \*\*\*\*\*

25   **34.    Responder:** Jo Evans — opponent

26           **Suggested change:** No language provided, but Ms. Evans requests that the  
27 background state the potential for taxpayer liability.

28           **Basis for suggested change:** The possibility of taxpayer liability is mentioned in  
29 the Arguments Against section, but the background does not say that since the state itself  
30 may propose projects, there is potential liability for the state and consequently for the state's  
31 taxpayers.





1 **39. Responder:** Douglas Bruce — opponent

2 **Suggested change:** Page 2, line 36 through Page 3, line 1:

3 Remove the word "drought" in at least three places in the first three sentences of  
4 Argument For #2.

5 **Basis for suggested change:** The word "drought" is used four times in the first  
6 three sentences. One use is enough, with alternatives like "water shortage" and "lack of  
7 rain" elsewhere.

8 **Staff comment:** Agree in part. Drought is an accurate term for what recently  
9 occurred in Colorado. However, the word could be changed in two locations without  
10 changing the meaning of the sentences.

11 **Revised staff language:** Page 2, line 40 through Page 3, line 1:

12 1. A new option for financing water projects will help provide additional water for  
13 Colorado's new residents, protect against future droughts, and meet the increasing demand  
14 for recreational and environmental water uses. The recent drought emptied or depleted  
15 many reservoirs, resulting in financial hardship for people who depend on water for their  
16 livelihood, restrictions on lawn watering, and ~~drought-related~~ fee increases. Additional  
17 water storage might protect Coloradans from similar ~~drought~~ impacts in the future.

18 \*\*\*\*\*

19 **40. Responder:** Douglas Bruce — opponent

20 **Suggested change:** None provided, but Mr. Bruce's concerns refer to the following  
21 sentence: "The recent drought emptied or depleted many reservoirs, resulting in financial  
22 hardship for people who depend on water for their livelihood, restrictions on lawn watering,  
23 and drought-related fee increases." (Page 2, lines 38 through 40)

24 **Basis for suggested change:** The drought did not deplete the reservoirs, and the  
25 sentence is poorly worded.

26 **Responder:** Kent Holsinger — Department of Natural Resources

27 **Suggested change:** Page 2, line 39:

28 The recent drought emptied or depleted many reservoirs, resulting in financial  
29 hardship for people who depend on water for their livelihood, SUCH AS AGRICULTURE AND  
30 RECREATION, AND restrictions on lawn watering, and drought-related fee increases.  
31



1 Colorado's consumptive use may increase due to population growth or additional urban  
2 needs, provided all other uses continue at their present levels.

3 \*\*\*\*\*

4 **43. Responder:** Douglas Bruce — opponent

5 **Suggested change:** Page 3, line 2:

6 Moreover, in most years, Colorado does not have enough storage to hold all the  
7 water it is ~~allowed by interstate law to use~~. ALLOWED TO USE BY EXISTING WATER PACTS  
8 AMONG THE STATES.

9 **Basis for suggested change:** The use of "interstate" could be confused with  
10 highways.

11 **Staff comment:** Disagree. The use of the word "interstate" is understandable.

12 \*\*\*\*\*

13 **44. Responder:** Chris Treese — Colorado River Water Conservation District

14 **Suggested change:** Page 3, line 2:

15 Storing water that is currently ~~lost~~ DELIVERED to downstream states provides an  
16 alternative to pumping expensive and nonrenewable ground water or buying water from  
17 farms or ranches.

18 **Basis for suggested change:** Unappropriated water in Colorado's western rivers  
19 benefits Western Slope communities before it crosses the border.

20 **Staff comment:** Disagree. Although Colorado's unused compact entitlement  
21 benefits Western Slope communities, once this water crosses the state's western border, it  
22 is lost for additional use in the state.

23 \*\*\*\*\*

24 **45. Responder:** Melinda Kassen — opponent

25 **Suggested change:** Page 3, line 3:

26 Storing water that is currently lost to downstream states provides an alternative to  
27 pumping ~~expensive~~ and nonrenewable ground water or buying water from farms or ranches.



1 users to build. For example, a single project could provide water for a city, recreation, and  
2 farms, and generate money to compensate an area that loses water because of the project.

3 \*\*\*\*\*

4 **47. Responder:** Kent Holsinger — Department of Natural Resources

5 **Suggested change:** Page 3, line 7:

6 For example, a single project could provide water for a city, recreation, and farms,  
7 and generate money to HELP OFFSET WATER PROJECT COSTS TO RURAL AREAS OR  
8 AGRICULTURAL INTERESTS AND compensate an area that loses water because of the project.

9 **Staff comment:** Disagree. The current sentence already provides sufficient  
10 examples.

11 \*\*\*\*\*

12 **48. Responder:** Chris Treese — Colorado River Water Conservation District

13 **Suggested change:** Page 3, lines 8 through 10:

14 ~~This program also encourages public-private partnerships, where the skills and~~  
15 ~~money of each sector can be combined to solve shared water supply problems.~~

16 **Basis for suggested change:** There is nothing new for "partnerships" in the  
17 measure.

18 **Staff comment:** Agree in part. This program could lead to public-private  
19 partnerships because public and private entities, or combinations of the two, are eligible to  
20 apply. Also, the law gives the CWCB new authority to evaluate, recommend, and borrow  
21 money for public-private projects.

22 **Revised staff language:** Page 3, line 8:

23 This program also ~~encourages~~ COULD LEAD TO public-private partnerships, where  
24 the skills and money of each sector can be combined to solve shared water supply problems.

25 \*\*\*\*\*

26 **49. Responder:** Chris Treese — Colorado River Water Conservation District  
27 Melinda Kassen — opponent  
28 Jo Evans — opponent

29 **Suggested change:** Page 3, lines 12 and 13:

1 It simply allows the board to obtain financing for water projects ~~using a method~~  
2 ~~similar to that used by the Colorado Department of Transportation for highway projects.~~

3 **Basis for suggested change:** This financing should not be compared to TRANS  
4 financing.

5 **Staff comment:** Disagree. TRANS, like this proposal, authorized the state to  
6 borrow money by issuing bonds to be repaid through dedicated revenue sources.

7 \*\*\*\*\*  
8 \*\*\*\*\*

9 **ARGUMENTS AGAINST**

10 **50. Responder:** Douglas Bruce — opponent

11 **Suggested change:** Page 3, line 23, insert as first sentence of Argument Against  
12 #1:

13 1. THIS IS THE LARGEST DEBT IN STATE HISTORY. IT IS BAD ECONOMICS TO INCREASE  
14 COSTS AND DEBT IN A WEAK ECONOMY. BILLIONS IN INTEREST WILL BUILD NOTHING. OUR  
15 CHILDREN WILL HAVE TO PAY BACK THIS DEBT OVER MANY GENERATIONS. DEBTS OF 50  
16 YEARS OR MORE SHOULD NOT BE BASED ON EMOTIONAL RESPONSES TO PAST WATER  
17 SHORTAGES. THIS DEBT AUTHORIZATION CONTINUES UNTIL THE FULL DEBT IS ISSUED AND  
18 THEN REPAYED, POSSIBLY 100 YEARS OR MORE FROM NOW, WHICH RENDERS MEANINGLESS  
19 THE CONSTITUTIONAL REQUIREMENT OF VOTER APPROVAL OF (CONTEMPORARY) DEBT. This  
20 program grants too much authority to the board and leaves questions unanswered.

21 **Basis for suggested change:** The argument against debt is the primary issue and  
22 should lead the arguments against this measure.

23 **Responder:** Melinda Kassen — opponent

24 **Suggested change:** Page 3, line 23, insert as first sentence of Argument Against  
25 #1:

26 1. INCREASING STATE DEBT SO SUBSTANTIALLY DURING A WEAK ECONOMY IS BAD  
27 POLICY. THIS DEBT AUTHORIZATION LASTS UNTIL THE COLORADO WATER CONSERVATION  
28 BOARD ISSUES THE \$2,000,000,000 AND IS REPAYED. WITH NO TIME LIMIT SET IN THE  
29 MEASURE, COLORADOANS COULD BE PAYING THIS DEBT BACK FOR GENERATIONS. This  
30 program grants too much authority to the board and leaves questions unanswered.

31 **Basis for suggested change:** The proposal allows a major amount of state debt in  
32 a weak economy.

1           **Staff comment on both suggested changes:** Disagree. Debt is currently used to  
2 finance water projects. This proposal increases the state's role in borrowing money for  
3 water projects. The arguments against increasing the state's role in borrowing money for  
4 water projects through this proposal is addressed in this argument. Also, the bond market  
5 and project sponsors will determine if an approved project should be financed.

6           \*\*\*\*\*

7   **51.    Responder:** Melinda Kassen — opponent

8           **Suggested change:** Page 3, line 28:

9           Also, if the water projects do not produce enough ~~money~~ REVENUE to repay the  
10 bonds, state policymakers may feel obligated to repay the bondholders.

11          **Basis for suggested change:** A project may generate money but not revenue.

12          **Staff comment:** Disagree. The two terms are interchangeable.

13          \*\*\*\*\*

14   **52.    Responder:** Douglas Bruce — opponent

15          **Suggested change:** Page 3, line 29:

16          Also, if the water projects do not produce enough money to repay the bonds, state  
17 policymakers may feel obligated to repay the bondholders USING OUR TAX DOLLARS. ALSO,  
18 IF THESE DEBTS ARE NOT REPAID, THE STATE WOULD TRY TO LIMIT THE LOSS BY  
19 FORECLOSING ON THE ASSETS, THEREBY INCREASING ITS OWNERSHIP AND CONTROL OF  
20 WATER RESOURCES THAT BELONG IN PRIVATE AND LOCAL GOVERNMENT HANDS.

21          **Basis for suggested change:** The voters should know who would pay for a bailout  
22 and appreciate the risk of expanded state control.

23          **Staff comment:** Disagree. There is no need to add "using our tax dollars" because  
24 it is clear from the current language that if policymakers feel they should repay the  
25 bondholders, the funding source will be state revenues. Also, SB 03-236 states that the  
26 revenue bonds must be repaid from revenue generated by the projects (see Page 2, lines 6  
27 through 11 of the law). Bondholders may not look to any other revenues of the state for  
28 the payment of the bonds (see Page 2, lines 12 and 13 of the law). Further, as the  
29 borrower, the state would not foreclose on assets; the trustee would foreclose.

30          \*\*\*\*\*

31   **53.    Responder:** Melinda Kassen — opponent





1 USES typically cannot generate sufficient revenue to pay the FULL cost of water projects.

2 \*\*\*\*\*

3 **59. Responder:** Douglas Bruce — opponent

4 **Suggested change:** Page 3, line 39:

5 Environmental, recreational, and agricultural interests may benefit less from this  
6 program than other water users because they typically cannot generate sufficient revenue  
7 to pay the cost of THESE water projects, WHICH MUST HAVE A MINIMUM PRICE TAG OF \$5  
8 MILLION.

9 **Basis for suggested change:** This ties the point to the limits in the text.

10 **Staff comment:** Disagree. This information about minimum cost is included in the  
11 background, and does not need to be repeated.

12 \*\*\*\*\*

13 **60. Responder:** Melinda Kassen — opponent

14 **Suggested change:** Page 3, line 39:

15 In addition, this program does not change THE UNDERLYING ECONOMICS OF ANY  
16 WATER PROJECT, IN THAT THE EXISTENCE OF THIS NEW FINANCING MECHANISM WILL NOT  
17 MAKE A PROJECT THAT IS TOO EXPENSIVE SUDDENLY FEASIBLE.

18 **Basis for suggested change:** The projects proponents are advocating have not  
19 been built because they are too expensive when compared with alternatives. Another  
20 financing option will not change the underlying economics of a project.

21 **Staff comment:** Disagree. There is no claim made that this proposal changes the  
22 underlying economics of a project.

23 \*\*\*\*\*

24 **61. Responder:** Melinda Kassen — opponent

25 **Suggested change:** Page 3, line 39 through Page 4, line 1:

26 FINALLY, THIS MEASURE DOES NOT CHANGE THE environmental or other permitting  
27 requirements, ~~which have been some of the greatest obstacles to building~~ THAT CAN  
28 DISCOURAGE major water projects.







